

MINUTES OF THE
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE
Monday, January 24, 2005, 2:00 p.m.
Room W125, West Office Building, State Capitol Complex

Members Present: Sen. Sheldon L. Killpack, Committee Co-Chair
Rep. Merlynn T. Newbold, Committee Co-Chair
Sen. Chris Buttars
Sen. Allen M. Christensen
Sen. Gene Davis
Rep. Bradley G. Last
Rep. David Litvack
Rep. Steven R. Mascaro
Rep. Roz McGee
Rep. Paul Ray
Rep. Aaron Tilton

Staff Present: Spencer C. Pratt, Legislative Fiscal Analyst
Thor Nilsen, Legislative Fiscal Analyst
Norda Shepard, Secretary

Public Speakers Present: Peter Carroon, Salt Lake County Mayor
Ron Stromberg, Acting Director, Department of Human Services
Randall Bachman, Director, Division of Substance Abuse and Mental Health
Mark Payne, Director, Utah State Hospital
Brent Kelsey, Justice Program Director, DSAMH
Alan Ormsby, Acting Director, Division of Aging and Adult Services
Shauna O'Neil, Director, Utah Association of Area Agencies on Aging
Bill Cox, Commissioner, Rich County, Association of Counties
Steve White, Commissioner, Utah County

A list of visitors and a copy of handouts are filed with the committee minutes.

The meeting was called to order by Co-Chair Killpack at 2:04 p.m.

Co-Chair Killpack introduced Lisa-Michelle Church, newly proposed director for the Department of Human Services.

1. Approval of Minutes

MOTION: Rep. Litvack moved to approve the minutes of January 20, 2005.

The motion passed unanimously with Sen. Davis and Rep. Last absent at the time of the vote.

2. Salt Lake County

Peter Carroon, Salt Lake County Mayor, stated that Salt Lake County is pleased to be a partner with both the state and federal government to meet the needs of our citizens and build a strong, healthy and productive community. He emphasized a few important ways in which state funding assists Salt Lake County. He stated that without the \$300,00 of new funding Salt Lake County would have to remove 80 people who are now being served through the

Medicaid Waiver for the Elderly and reduce 26,800 Meals -on-Wheels to 181 clients. He mentioned the Ombudsman program, which provides services to individuals residing in nursing homes and assisted living facilities, noting that 30% of those facilities are located in Salt Lake County. He said current changes in mental health rules, which no longer allows Medicaid money to be spent on non-Medicaid clients, will result in a loss of \$1.2 million in federal subsidies and will result in Valley Mental Health's inability to serve 1,085 clients. He expressed his support for S.B. 22, Drug Offenders Reform Act (DORA.)

3. Department of Human Services - Division of Substance Abuse and Mental Health

Ron Stromberg, Acting Director, Department of Human Services, stated that both the Division of Substance Abuse and Mental Health and the Division of Aging and Adult Services are basically pass through agencies. The divisions receive federal and state money, most of which is passed down to local government groups or other providers to provide the actual services. The state Division monitors, provides administrative and technical assistance but actual service delivery is on a local basis.

Randall Bachman, Director, Division of Substance Abuse and Mental Health, distributed a printed report to the committee. He indicated he would go over the role of the Division, some positive news regarding some of the programs and some key challenges in terms of budget requests. He indicated again that the majority of services are delivered by the counties on contract with either private providers or county staff themselves. He stated the Division shares the vision of the Federal Substance Abuse and Mental Health Services Administration "A Life in the Community for Everyone: Building Resilience and Facilitating Recovery." He stated it is exciting to know that recovery is possible.

Mr. Bachman focused on three positive developments in the state. The first is that student drug use has declined. There has been a drop overall in student drug, alcohol and tobacco use by over 50% since 1984. Graphs in the handout show the year by year declining trends in the use of the various substances. The second is that the sale of tobacco to minors is down. He explained that as a result of requirements of the Synar Amendment, states are required to go into retail outlets and test if the clerks are selling tobacco to minors. Over four years, retailers in Utah have decreased their sale to minors from 18.8% to 8%. The third is the Utah Frontiers Program. He explained this program was funded through a six year grant from the federal government and is focused on providing intensive wrap-around services for children who are seriously emotionally disturbed and try to maintain their living in their own homes. He indicated that the program has been very successful. A "Frontier Project Final Report, 2004" from Utah State University assessing the program was distributed. The report indicates studies showed that the youth functioned better, home situations improved and service costs decreased.

Mr. Bachman stated that the key challenges for the Division are the cuts in state and federal funding that has occurred in the last few years that have really stressed the system. He indicated that the mental health system is faced with a serious funding crisis due to federal Medicaid policy changes. He said these changes will result in cutbacks in services and programs for the indigent, uninsured. Budget cuts also resulted in closure of one wing of the forensic unit of the State Hospital. He indicated that requests for supplementals and building blocks are an attempt to restore at least part of the infrastructure that has been eroded as a result of these cuts. He discussed the FY2005 Supplemental and FY 2006 Building Block requests found on page 9 of the report. He distributed a white paper addressing current and emerging issues in public substance abuse and mental health. He indicated that all this information is available on the internet at www.dsamh.utah.gov.

Mark Payne, Director, Utah State Hospital, distributed and discussed a handout on the Utah State Hospital Forensic Building. He stated the hospital currently has 354 beds. He reported that the closure of forensic beds in October 2002 eventually created a waiting list and the hospital was not able to take all the individuals who were ordered for treatment. Waiting lists kept individuals in jail who were ordered for treatment, creating a liability for the state of Utah. The state was sued three times in 2004 with all being resolved. He said these 26 beds were reopened on December 1, 2004 and currently there is no waiting list. This has relieved pressure on the jails and liability and court actions have been resolved. Programs are now fully operational and the hospital is JCAHO accredited and CMS certified and all OSHA issues have been resolved. He discussed the funding requests listed on the handout which

identifies requests for the current year as building blocks and on-going funding. He pointed out the building block for medication costs. This is critical as medication costs increase around 8% to 10% annually. He indicated that medication is a large part of the budget and a most important element in treatment. He stated that a critical situation exists in retaining and recruiting nursing staff and there is a need for salary adjustments.

In response to committee questions, Mr. Payne indicated that if the FY2005 supplemental is not funded, beds would have to be closed, patients would be pushed back into the jails and court orders refused and the state would then again be subject to possible law suits and liability.

Analyst Thor Nilsen discussed the Budget Brief for this Division found under Tab 19. The Analyst has recommended funding as indicated for the five issues on the first page. The other issues on page ii should also be considered by the committee, especially the impact on local mental health centers of the Medicaid policy changes. He indicated that the proposed intent language has been approved by Legislative Research. He drew attention to the legislative action that will need consideration in the voting process. A detailed budget table is found on page iv.

4. Department of Human Services - Drug Courts/Drug Boards

Mr. Nilsen discussed the Budget Brief for Drug Courts/Drug Boards found under Tab 18. He reminded committee members that the COBI has more detailed information on each division. He discussed the Drug Offenders Reform Act and indicated that the Governor included funding for DORA. He explained that as a policy in working for the Legislature, the staff does not include funding for a specific piece of legislation in budget recommendations, but do call attention to it. The intent language on page iii has been approved by Legislative Research. He pointed out that this is not the entire funding for drug courts but is the Human Services portion of Tobacco Settlement money that is in statute.

Brent Kelsey, Director, Justice Program Manager, Division of Substance Abuse and Mental Health, said he appreciated the opportunity to talk today. He stated that it has been known for a long time that there is a critical link between drug abuse and crime. He indicated that the United States Department of Health and Human Services reports that illicit drug users are 16 times more likely to be arrested than nonusers for larceny or theft and 14 times more likely to be arrested for driving under the influence and 9 times for assault charges. He gave a brief history of the development of drug courts and drug boards. Drug courts were started in Utah in 1996. Drug Court programs target nonviolent, drug abusing offenders. It requires offenders to participate in intensive court supervised treatment as an alternative to jail or prison. Participants agree to frequent drug testing and to comply to sanctions imposed by Drug Court judges or hearing officers for non-compliance. They are required to participate in treatment services. He reported that today in Utah we currently have 26 Drug Courts and Drug Board programs operating. Sixteen courts and two boards receive funding from the Tobacco Settlement Account. At any given time, close to 1,500 people are participating in the Drug Courts. He indicated that studies show that it is 45% less expensive to have a participant in Drug Court for one year than it is to place that same person in jail for 90 days. The estimated average cost for Drug Court participation is around \$3,500 and the average cost for a year incarceration ranges from \$22,000 to \$30,000. He distributed "2004 Felony Drug Court Outcomes Report and Utah Drug Court Funding."

Sen. Buttars spoke to the magnitude of the problem, indicating there are approximately 6,000 people incarcerated and over 90% of the women and 70-75% of the men have a drug problem. If treatment options were in place, which DORA would provide, 2,200 beds could be cleared. This would be a saving of about \$40 million a year and an enormous decrease in human misery. Sen. Davis stated that there are those already incarcerated who need these services also. He stated that incarceration is not the answer but keeping people out of jail and making them productive through treatment. Rep. Last stated he had visited a Drug Court and was very impressed with the amazing process of enforcement and positive encouragement. He encouraged legislators to take advantage to visit a Drug Court. Sen. Davis said that when funding Drug Courts it is important to also fund the providers who give support to the courts. Sen. Buttars said if that doesn't happen the program will fail.

Mr. Kelsey invited anyone interested to a Felony Drug Court Graduation January 25th in the Salt Lake County Government Center. Mr. Bachman thanked the committee for listening. He said he wanted to underscore the need

for restoration of cut funds. He said if projections are correct, over 4,000 people will be impacted by these service cuts. He stated this is a very serious issue but there are also messages of hope and there are programs that are really working. He said he wanted to emphasize that substance abuse is a preventable behavior and that addiction is a treatable disease.

5. Department of Human Services - Division of Aging and Adult Services

Mr. Nilsen discussed the Budget Brief for Division of Aging and Adult Services found under Tab 23. He indicated that this is mostly a locally delivered service with state oversight. He indicated the Analyst did not address the issue of local provider compensation as this will be considered by the Executive Appropriations Committee. He called attention to the Ombudsman Program and the Senior Technology Showcase. He indicated there is some additional funding available from the federal government for Senior Technology Showcases. The intent language on page iii is recommended and approved by Legislature Research.

Alan Ormsby, Acting Director, Division of Aging and Adult Services, distributed the Division's annual report and a brief summary of the top ten successes for FY 2004. He indicated this division is a small division but has a large and growing mandate to advocate for the senior population and to provide services that help promote senior independence. He indicated that in the back of the annual report there are several appendices. One of the most significant is Appendix II on Area Agency on Aging Reports. This outlines the services that are provided by each of the twelve Area Agencies on Aging. He discussed each of the items on the Top Ten Successes, pointing out that the meals-on-wheels program and meals at senior centers are more than just a meal, it's an opportunity for the seniors to have fellowship and friendship. He also pointed out the cost effectiveness of the home and Community Based Alternative Program and the Medicaid Waiver Program which help seniors stay out of nursing homes as long as possible.

Mr. Ormsby said they are requesting that the one time \$200,000 for home delivered meals become on-going. They are also asking the Legislature to support the Governor's recommendation for increased funding for the Ombudsman program. He stated they also support the intent language that is in the Analyst's Legislative Budget Brief.

Rep. McGee asked about the allocation of services among the counties and county contributions. Shauna O'Neil, Utah Association Of Agencies on Aging and Director of Salt Lake County Aging Services, stated that state and federal funds are insufficient to respond to the needs of the elderly. Counties that have sufficient resources, particularly along the Wasatch Front, have stepped up and supplemented these funds. For example, Salt Lake County provides twice as much as state and federal funds together. Urban areas tend to have more services available. In rural areas, unless you are in the county seat, services may not be available. She said each county is assisting the best they can.

6. Utah Association of Counties

Bill Cox, Commissioner, Rich County, gave examples of services available in Rich County. He stated that to say there is disparity in counties is an understatement. He said that funds drive the programs, even though there are lots of volunteer hours.

Mr. Cox says he was representing the Association of Counties to address the issues from the county perspective. He stated that services in the counties are broken down to three different areas: the federal government which provides funding and Medicaid; the state government with funding, regulations and statutes; and the local authorities that provide the services and develop the plans to meet the needs of the aging. He presented an overhead presentation report and also distributed copies of the report to committee members. He discussed state, local, and provider relationships and responsibilities. He explained that counties are doing the very best they can to try to maintain the level of services but are very limited in funding sources. He said that in counties with no population growth, it is difficult to increase funding. He discussed the priority funding requests for the aging as included on Page 5 of the handout, making one correction; seven new positions in the Ombudsman instead of nine as listed. He explained this priority funding is not for services to new individuals or waiting lists. This is just to maintain. He said we need to

remember that these aging individuals are not people who have a substance abuse problem or mental health problems, but they need services just because of the incidents related to aging. Mr. Cox stated there is a real crisis in mental health from a county stand point and the loss that will come from Medicaid changes. He said the 25 beds in the State Hospital are extremely important for the county jail population to receive the needed, court ordered treatment. The hospital is out on a limb because they went ahead and opened these beds and really need the requested funding. He stated the counties are excited about DORA but know it is essential to have new funding with the program. He stated we need to step up and make sure our funding matches are full to maximize federal dollars. He said aging numbers will continue to grow and it won't be long before the elderly outnumber school children. Counties need help with these growing needs.

Steve White, Commissioner, Utah County, stated he would like to address the issue of DORA. He reported that in Utah County, 88% of the incarcerated females are there because of drugs. He said they are making an effort to help them, but if they could be in a Drug Court circumstance rather than in jail, the cost saving would be great. Utah County's population is growing about 17,000 a year and estimates say 133 new people will enter the county jail each year. Other ways need to be found because drugs are so extensive. He also addressed the home health programs. He said it is a great cost saving to the state to keep the elderly in their own homes as long as possible. He said in regard to mental health cuts, many of these people will end up in jail if they do not continue to receive their medication. He said we will pay one way or another, either on the jail side or prevention side. He said we need to think about long term costs to the counties and the state as we look at budgets.

7. Other Committee Business

Co-Chair Killpack stated the committee will hear the last presentation for the Department of Human Services at our next committee meeting on Wednesday and on Thursday we will have public testimony. He indicated that in order to accommodate as many as possible on Thursday, groups and associations should pick one or two to represent the group. They will be allowed five minutes. Individuals will be allowed three minutes. We will begin formally signing up after the meeting on Wednesday and a sign up sheet will also be available on Thursday.

MOTION: Rep. Last moved to adjourn.

The motion passed unanimously with Sen. Davis, Rep. Litvack, and Rep. Mascaro absent at the time of the vote.

Co-Chair Killpack adjourned the meeting at 4:00 p.m.

Minutes reported by Norda Shepard, Secretary

Sen. Sheldon L. Killpack
Committee Co-Chair

Rep. Merlynn T. Newbold
Committee Co-Chair